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To: The Honorable John A. Alario, Jr., Chairman
Joint Legislative Committee on the Budget
The Honorable Members of the Joint Legislative Committee on the Budget

From: H. Gordon Monk, Legislative Fiscal Officer
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Date: March 17, 2006

Subject: GREATER NEW ORLEANS EXPRESSWAY COMMISSION
FY 05-06 BUDGET ANALYSIS

The Greater New Orleans Expressway Commission (GNOEC) staff annually prepares its budget for approval by the Commissioners in accordance with its bond indenture. Upon approval by the GNOEC, the budget is then submitted to the Legislative Fiscal Office. The GNOEC approved the original budget on December 6, 2005. However, the Revenue Estimating Conference adopted a significantly higher estimate for Highway Fund #2 which has led the GNOEC to amend its original budget request to include this higher figure. The GNOEC subsequently considered this amended budget on March 7, 2006. The Commission's FY 06 began on November 1, 2005 and ends October 31, 2006.

Prior to the submission of the annual operating budget to the Joint Legislative Committee on the Budget for its approval or rejection, the Legislative Fiscal Office reviews the submission of the budget for mathematical accuracy and content. The Legislative Fiscal Office prepares an analysis of the budget submitted by the GNOEC and provides this report to the Joint Legislative Committee on the Budget for its consideration.

BUDGET SUMMARY, FISCAL YEAR 05-06
Greater New Orleans Expressway Commission

	Actual <u>FY 02-03</u>	Actual <u>FY 03-04</u>	Approved <u>FY 04-05</u>	Estimated Year End <u>FY 04-05</u>	Requested <u>FY 05-06</u>	FY 05 <u>vs. 06</u>	Page <u>No. Notes</u>
Means of Finance							
Highway Fund No. 2	\$4,751,129	\$5,429,586	\$5,100,000	\$4,968,696	\$5,350,000	5%	3 5% increase over FY 05
Tolls	\$15,448,211	\$15,633,720	\$16,644,000	\$13,778,328	\$16,938,000	2%	3,4 6.5 million crossings in FY 06
Interest Income	\$592,518	\$458,579	\$350,000	\$450,000	\$400,000	14%	4 Higher interest rates
Other Revenue	\$486,170	\$416,280	\$442,000	\$442,000	\$479,906	9%	4
Federal/DOTD Funds	\$0	\$0	\$0	\$0	\$0	0%	No Fed/DOTD funds in 06
Bond Proceeds	<u>\$200,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	0%	
Total MOF	\$21,478,028	\$21,938,165	\$22,536,000	\$19,639,024	\$23,167,906	3%	
Expenditures							
Salaries	\$2,643,850	\$2,928,878	\$3,338,590	\$3,219,221	\$3,485,654	4%	4,8 Slight increase
Related Benefits	\$883,120	\$1,041,682	\$1,145,061	\$1,146,752	\$1,115,608	-3%	8 Decreases 3%
Other Compensation	<u>\$34,180</u>	<u>\$34,180</u>	<u>\$34,180</u>	<u>\$34,180</u>	<u>\$34,180</u>	0%	8 Commissioner's salaries
Personnel Svcs.	\$3,561,150	\$4,004,740	\$4,517,831	\$4,400,153	\$4,635,442	3%	
Operating Services	\$1,933,514	\$2,049,121	\$2,003,000	\$1,937,668	\$2,155,500	8%	4,9 Insurance costs increase 9.3%
Supplies	\$933,287	\$1,051,565	\$1,075,319	\$1,179,799	\$1,315,000	22%	10 Fuel costs increase
Operating Expenses	\$2,866,801	\$3,100,686	\$3,078,319	\$3,117,467	\$3,470,500	13%	
Professional Services	\$279,774	\$320,348	\$315,000	\$275,057	\$315,000	0%	11 No change
Debt Service	\$4,590,621	\$4,763,201	\$4,720,701	\$4,720,701	\$4,741,001	0%	13
State Surplus-HPL	<u>\$1,123,936</u>	<u>\$1,175,482</u>	<u>\$1,407,669</u>	<u>\$1,374,203</u>	<u>\$1,897,039</u>	35%	5,14 Increase due to acquisitions
Other Charges	\$5,714,557	\$5,938,683	\$6,128,370	\$6,094,904	\$6,638,040	8%	
Acquisitions	\$485,561	\$471,440	\$569,469	\$520,284	\$637,400	12%	16 11.9% increase
Major Repairs/Cap Im	\$8,570,185	\$8,102,268	\$7,927,011	\$5,231,159	\$7,471,523	-6%	17-18 5.7% decrease in maj. repairs
Acquisitions/Repairs	\$9,055,746	\$8,573,708	\$8,496,480	\$5,751,443	\$8,108,923	-5%	
Total Expenditures	\$21,478,028	\$21,938,165	\$22,536,000	\$19,639,024	\$23,167,905	3%	

BUDGET REVIEW AUTHORITY

Section 2 of Act 875 of 1988 requires the GNOEC to submit its annual operating budget to the Joint Legislative Committee of the Budget for its approval or rejection prior to the expenditure of funds contained in such budget. Historically, the Joint Legislative Committee on the Budget has approved the Commission's budget in February or March after the beginning of the Commission's fiscal year.

Section 4 of Act 875 of 1988 provides that the Commission may secure bonds by a trust agreement and that any revenues of the Commission remaining at the end of each fiscal year

after (1) payment of all expenses of maintaining and operating the facilities of the Commission and (2) satisfaction of all obligations of the Commission shall be considered surplus. This surplus shall be transferred to the Treasurer of the State of Louisiana for deposit in the Treasury, provided that prior to the transfer of surplus funds the Commission shall use said funds first for its officers to police the Huey P. Long Bridge, and transfer \$50,000 each fiscal year to each of the parishes of St. Charles, St. John the Baptist, and Tangipahoa. Act 1227 of 1995 provides that the Commission use surplus funds to provide \$50,000 per year beginning in FY 95 to the following: Jefferson and St. Tammany parishes, the City of New Orleans for use by the New Orleans Recreation Department, and the Washington Parish Infrastructure and Park Fund.

BUDGET SUMMARY

The Greater New Orleans Expressway Commission (GNOEC) is requesting approval of a FY 05-06 budget which represents a 2.8% increase from the budget approved by the JLCB for FY 04-05. This increase is largely due to an anticipated increase in toll revenues of approximately \$300,000, and anticipated revenues from Highway Fund #2 which are budgeted at \$250,000 greater than the budget for FY 05. This is based on the latest projection for Highway Fund #2 adopted by the Revenue Estimating Conference at its February 17th meeting. This additional funding is primarily used for capital improvement projects.

The GNOEC has lost approximately \$2 million in toll revenue due to Hurricane Katrina and will attempt to seek reimbursement from its business interruption insurance. In addition, the GNOEC will seek reimbursement for approximately \$13 million from the Federal Highway Administration (FHWA) for necessary repairs and rehabilitation work resulting from damages caused by Hurricane Katrina.

MEANS OF FINANCING

Highway Fund Number 2

Highway Fund Number 2 revenues are derived from vehicular license taxes collected in the parishes of Orleans, Jefferson, St. John, St. Charles, Tangipahoa and St. Tammany. These revenues are divided equally at year-end between the Greater New Orleans Expressway Commission and the Crescent City Connection Division. The GNOEC anticipates a total of \$5.35 million in Highway Fund #2 dollars in FY 05-06. As in the previous fiscal year, the GNOEC portion of Highway Fund #2 is greater than its annual debt service. The GNOEC once again requests using this "surplus" for its capital improvement program (formerly called the rehabilitation program). The LFO requested an Attorney General opinion to clarify how "surplus" (Hwy. Fund #2 annual revenues that are greater than the annual debt service payment) funding from Highway Fund #2 could legally be expended.

Attorney General Opinion Number 05-0059, and its subsequent clarification, notes that "the act (ACT 875 of the 1988 Regular Session) does not specifically reference a rehabilitation program but if the rehabilitation program consists of expenditures related to maintaining and operating the Commission facilities or the renewal or replacement of the Commission facilities then such expenditures would be authorized by the Act and could be used prior to deposit of any surplus into the State Treasury".

Toll Revenues

Toll revenues are budgeted based on historical collections and trends in traffic patterns. Current estimates indicate revenues for Fiscal Year 05-06 will increase slightly over the amount projected for last fiscal year. Toll revenues are budgeted at \$16.9 million for FY 05-06. The GNOEC notes that this increase in toll revenue is anticipated even with the loss of tolls from August 27 – October 17, 2006 due to Hurricane Katrina. The GNOEC speculates that this increase is due to the tremendous number of displaced citizens from New Orleans which have moved to the North Shore. Tolls were not collected during this period at the request of State Police, DOTD, Governor's Office and Jefferson and St. Tammany Parish Officials. The GNOEC anticipates that \$2 million in toll revenue was lost during this period and has stated that it will seek to recover these funds from either its business interruption insurance or FEMA. The total number of one-way crossings on the expressway is anticipated to be approximately 6,540,000. Tolls collected depend upon vehicle type and payment method, which includes full fare and discounted fare programs.

Interest Income and Other Revenue

Interest income is projected to increase from the amount approved last fiscal year. This is a result of higher interest rates and maintaining larger fund balances.

EXPENDITURES

Personnel Expense

The salary expenditure category is budgeted at 4.4% greater than the amount approved last fiscal year. This budget includes pay increases given to administrative personnel in November 2005.

The budget request includes 94.5 full-time equivalent positions for causeway operations. A portion of the personnel count for administration (3 FTE positions) and operations (13.0) are allocated to Huey P. Long Bridge expenditures. Adding these sixteen positions brings the total FTE positions to 110.5.

Pay increases to employees are earned through a level and step program approved by the Commission. Administrative and supervisory personnel receive merit increases as a flat percentage based upon individual job performances. Merit increases generally range from 3% to 5% and are approved each year through the Commission's budget approval process.

Operating Expenses

Operating Expenses include advertising, the publication of public notices and minutes, insurance, travel, telephone and radio expenses, utilities and other operating services. Other operating services includes unused vacation and sick leave, dues and subscriptions, trustee fees, bank and visa charges for toll deposits, and other miscellaneous expenses. Operating Expenses will increase by 7.6% or approximately \$150,000 from the amount approved by the JLCB last fiscal year. The increase is due primarily to a \$125,000 or 10% increase in insurance costs on the structure and a \$35,000 or 16% increase in estimated utilities costs.

Other Charges

Per Act 875 of 1988, the Commission will provide \$50,000 each to the parishes of St. Charles, St. John the Baptist, and Tangipahoa. Per Act 1227 of 1995, the Commission will

provide \$50,000 to each of the following: Jefferson Parish, St. Tammany Parish, the City of New Orleans for use by the New Orleans Recreation Department, and the Washington Parish Infrastructure and Park Fund.

The Commission is responsible for the policing of the Huey P. Long Bridge and budgets \$1,547,039 for expenditures paid from anticipated excess revenues to the State. This represents an increase of \$489,370 (46%) over the approved FY 04-05 budget. This increase can be attributed to the purchase of a thirty-ton wrecker at a cost of \$300,000 and four (4) portable variable messaging signs (two for the westbank and two for the eastbank to help alert drivers of traffic problems). The GNOEC notes that the purchase of the wrecker will allow for quicker removal of vehicles on the bridge. The Commission budgets a percentage of overall administrative costs to the Huey P. Long Bridge to reflect the amount of administrative resources devoted to the policing of that bridge.

Total Acquisitions & Major Repairs

This category includes capital acquisitions and the major repairs/capital improvement program. This category decreases by nearly 5% from the amount approved by the Committee last fiscal year. The amount budgeted for acquisitions has increased by 12% over FY 05. However, the total amount budgeted for major repairs/capital improvements has declined by approximately 6%.

The budget for Major Repairs/Capital Improvement is \$7,471,523 which is only slightly lower than that proposed in FY 04-05. This category was previously called the rehabilitation program. As the GNOEC has largely completed this program over the last eleven years, it will now expend these funds in a category that combines the Extraordinary Repair and Maintenance Fund and the rehabilitation program. The Extraordinary Repair and Maintenance Fund is an account required by the GNOEC bond indenture and calls for the commission to maintain at least \$800,000. Previously, this mechanism was utilized for those costs necessary for maintenance needs not addressed in the rehabilitation program. However, with the approval of this budget, this revised format will address all issues related to major repairs/capital improvements.

The approved budget request for the capital improvements/rehabilitation program includes fifteen (15) projects scheduled to cost approximately \$18.5 million. These projects include south toll plaza renovations of building and roadway, funding for the variable message sign repair, addition of north shore merge lanes, north causeway capacity improvements, north approach road rehabilitation, and cleaning and adjusting bearings and the leveling of the southbound bridge. This request carries forward \$24.7 million from previous years. The capital improvement program also proposes to carry forward \$12.5 million to future fiscal years (see page 15).

BUDGET ISSUES

The GNOEC has lost approximately \$2 million in toll revenue due to Hurricane Katrina and will attempt to seek reimbursement from its business interruption insurance. In addition, the GNOEC will seek reimbursement for approximately \$13 million from the Federal Highway Administration (FHWA) for necessary repairs and rehabilitation work resulting from damages caused by Hurricane Katrina. Approximately \$4 million of this work has already been completed. The remainder of the work is either underway or scheduled to begin in the near future. Should these funds be received from either source, the GNOEC will budget those funds in FY 07 for additional capital improvement projects.

TOLL INCREASE AND REHABILITATION PROJECTS

In February 1995, the Greater New Orleans Expressway Commission increased tolls and charges on the Lake Pontchartrain Causeway. The revenues generated from the increase are dedicated for the purpose of funding major repairs/capital improvement projects. The schedule of tolls and charges below became effective February 1, 1995.

NOTE: The GNOEC began one-way toll collections in May 1999. Tolls have been collected only on the North Shore since that time.

PRIOR AND CURRENT TOLL SCHEDULE

<u>Height</u>	<u>Type</u>	<u>Axles</u>	<u>Current Toll</u>	<u>Prior Toll</u>
Under 7'6"	Commuter	2	\$2.00	\$0.50
		2	\$3.00	\$1.00
	Cash	3	\$4.50	\$1.50
		4	\$6.00	\$2.00
		5+	\$7.50	\$2.50
Over 7'6"	Cash	2	\$6.00	\$2.35
		3	\$9.00	\$2.90
		4	\$12.00	\$3.75
		5+	\$15.00	\$4.00

PERSONNEL EXPENSE

SALARIES	FTE	Actual FY 02-03	FTE	Actual FY 03-04	FTE	Approved FY 04-05	FTE	Requested FY 05-06
General Manager	1.0	\$93,712	1.0	\$105,254	1.0	\$108,938	1.0	\$114,385
Asst. Gen. Manager	1.0	\$59,185	1.0	\$62,547	1.0	\$66,475	1.0	\$73,262
N. Shore Supervisor	1.0	\$43,255	1.0	\$46,013	1.0	\$48,947	1.0	\$51,883
Office Personnel	15.0	\$501,636	16.0	\$560,987	16.5	\$607,032	15.5	\$600,541
Less: HPL Adm.	<u>(3.0)</u>	<u>(\$84,915)</u>	<u>(3.0)</u>	<u>(\$90,376)</u>	<u>(3.0)</u>	<u>(\$125,899)</u>	<u>(3.0)</u>	<u>(\$127,431)</u>
Total Administrative	15.0	\$612,873	16.0	\$684,425	16.5	\$705,493	15.5	\$712,640
Toll Collectors	13.5	\$285,037	14.0	\$305,412	12.0	\$290,378	12.5	\$334,137
Bridge Monitors	3.5	\$90,833	4.5	\$105,419	5.0	\$118,652	5.0	\$125,758
Maintenance	23.0	\$652,585	25.0	\$635,957	25.0	\$700,410	25.0	\$720,117
Dispatch/Bascule Oper.	17.0	\$392,684	17.5	\$441,835	19.5	\$591,972	19.5	\$592,713
Police	28.0	\$995,409	29.0	\$1,173,460	30.0	\$1,464,627	30.0	\$1,580,392
Less: HPL Operations	<u>(12.0)</u>	<u>(\$385,571)</u>	<u>(12.0)</u>	<u>(\$417,630)</u>	<u>(13.0)</u>	<u>(\$532,942)</u>	<u>(13.0)</u>	<u>(\$580,103)</u>
Total Operations	73.0	\$2,030,977	78.0	\$2,244,453	78.5	\$2,633,097	79.0	\$2,773,014
TOTAL SALARIES	88.0	\$2,643,850	94.0	\$2,928,878	95.0	\$3,338,590	94.5	\$3,485,654
Related Benefits								
Parochial (Retirement)		\$276,155		\$421,664		\$550,077		\$582,259
Group Insurance		\$524,014		\$564,598		\$585,872		\$547,538
Retirees Group Benefits		\$114,062		\$108,989		\$120,740		\$87,216
Gov. Def. Comp. Plan		\$86,400		\$86,400		\$86,400		\$86,400
Less: HPL Rel. Benef.		<u>(\$117,511)</u>		<u>(\$139,969)</u>		<u>(\$198,028)</u>		<u>(\$187,805)</u>
Total Related Benefits		\$883,120		\$1,041,682		\$1,145,061		\$1,115,608
Other Compensation*		\$34,180		\$34,180		\$34,180		\$34,180
Total Personnel Expense		\$3,561,150		\$4,004,740		\$4,517,831		\$4,635,442

* Other Compensation represents the salaries of the Greater New Orleans Expressway Commissioners. The five appointed commissioners are paid \$569.66 per month for Commission duties as provided by an amendment to the Articles of Incorporation of the Great Expressway Commission. The Articles of Incorporation were executed by the Parishes of Jefferson and St. Tammany on October 20, 1954, with the above amendment being approved on August 7, 1986.

Requested Adjustments to Full Time Equivalency Position (FTE) Count:	<u>FTEs</u>
Fiscal Year 2005 FTEs Approved (Including HPL Personnel)	111.0
Net decrease of personnel (FTEs)	<u>0.5</u>
Requested Fiscal Year 2006 FTEs (Including HPL Personnel)	110.5

OPERATING EXPENSES

	Actual	Actual	Approved	Requested	FY 05
OPERATING SERVICES	<u>FY 02-03</u>	<u>FY 03-04</u>	<u>FY 04-05</u>	<u>FY 05-06</u>	<u>to FY 06</u>
Advertising	\$3,223	\$15,071	\$15,000	\$15,000	0.0%
Publication of Public Notices and Minutes	\$4,942	\$2,834	\$5,000	\$5,000	0.0%
Insurance	\$1,288,565	\$1,389,437	\$1,350,000	\$1,475,000	9.3%
Travel	\$3,766	\$2,433	\$5,000	\$5,000	0.0%
Telephone and Radio	\$173,338	\$174,794	\$175,000	\$180,000	2.9%
Utilities	\$187,922	\$222,221	\$215,000	\$250,000	16.3%
Other Operating Services	<u>\$271,758</u>	<u>\$242,331</u>	<u>\$238,000</u>	<u>\$225,500</u>	-5.3%
TOTAL OPER. SERVICES	\$1,933,514	\$2,049,121	\$2,003,000	\$2,155,500	7.6%

The increase in this category is largely due to an increase in insurance expenses of 9.3% or \$125,000, an increase in utilities costs of 16% or \$35,000, and an increase in fuel costs.

OTHER OPERATING SERVICES SUMMARY

	Actual	Actual	Approved	Requested	FY 05
Other Operating Services	<u>FY 02-03</u>	<u>FY 03-04</u>	<u>FY 04-05</u>	<u>FY 05-06</u>	<u>to FY 06</u>
Unused Vacation & Sick Leave	\$91,644	\$55,799	\$35,000	\$35,000	0.0%
Dues and Subscriptions	\$16,668	\$10,618	\$18,000	\$18,000	0.0%
Trustee Fees	\$12,734	\$14,000	\$15,000	\$15,000	0.0%
Bank & Visa Charges on Toll Deposits	\$144,351	\$161,914	\$170,000	\$157,500	-7.4%
All Other	<u>\$6,361</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	0.0%
TOTAL OTHER OP. SVC.	\$271,758	\$242,331	\$238,000	\$225,500	-5.3%

This category also includes dues to the International Bridge, Tunnel and Turnpike Authority and for memberships in various police associations and chambers of commerce.

SUPPLIES EXPENSE

Supplies Expense Items	Actual FY 02-03	Actual FY 03-04	Approved FY 04-05	Requested FY 05-06	FY 05 to FY 06
Ofc. Expense and Supplies	\$132,722	\$133,234	\$142,655	\$130,000	-8.9%
Oper. Expenses & Supplies	\$312,761	\$374,626	\$402,535	\$585,000	45.3%
Repair & Maint./Supplies	<u>\$487,804</u>	<u>\$543,705</u>	<u>\$530,129</u>	<u>\$600,000</u>	13.2%
TOTAL SUPPLIES EXP.	\$933,287	\$1,051,565	\$1,075,319	\$1,315,000	22.3%

Office Expense and Supplies:

The GNOEC is requesting an 8.9% decrease in its office supply budget.

Included in this general ledger account are the costs related to disposal services, postage, extermination and termite control, office machine repairs and maintenance contracts, and other general administrative office supplies.

Operating Expenses and Supplies:

The approved budget for FY 05-06 is \$585,000, which is a 45.3% increase from the prior year's approved budget. The Commission notes that the increased costs in this category are due to significant increases in utilities and fuel costs.

Included in the general ledger account Operating Supplies are the costs associated with vehicle and truck repairs and their routine preventative maintenance. All gasoline, oil, auto parts, tires, lubricants, diesel fuel and any other similar costs are in this account. All police equipment on the vehicles and related maintenance is in this account. Also included in this account are all police uniforms and protective equipment and any expenditures for police car retrofitting.

Repair and Maintenance Supplies:

The amount budgeted in this category shows a 13.2% increase over the amount budgeted in FY 05.

Included in this account are the costs for general maintenance and supplies needed on the bridge, toll tags, toll system software maintenance, computer and electronic repairs on all bridge equipment, plumbing and janitorial supplies for the entire operation, and air conditioning contracts and other miscellaneous items dealing with operations maintenance.

PROFESSIONAL SERVICES

Professional Service Items	Actual <u>FY 02-03</u>	Actual <u>FY 03-04</u>	Approved <u>FY 04-05</u>	Requested <u>FY 05-06</u>	FY 05 to FY 06
Accounting and Finance					
Independent Audit	\$9,960	\$10,000	\$15,000	\$15,000	0.0%
Accounting Services	<u>\$112,225</u>	<u>\$98,631</u>	<u>\$115,000</u>	<u>\$115,000</u>	0.0%
Total Accounting and Finan.	\$122,185	\$108,631	\$130,000	\$130,000	0.0%
Engineering *					
Engineering Traffic Consultant	<u>\$5,000</u>	<u>\$40,535</u>	<u>\$5,000</u>	<u>\$5,000</u>	0.0%
Total Engineering	\$5,000	\$40,535	\$5,000	\$5,000	0.0%
Litigation & Legal Representation					
Prior Litigation	\$0	\$0	\$0	\$0	0.0%
Gen. Counsels	<u>\$51,842</u>	<u>\$81,805</u>	<u>\$90,000</u>	<u>\$90,000</u>	0.0%
Total Litigation/Legal	\$51,842	\$81,805	\$90,000	\$90,000	0.0%
Other Professional Services					
Investment Consultant-Sisung	\$88,747	\$85,397	\$90,000	\$90,000	0.0%
Police Integrity & Ethics	<u>\$12,000</u>	<u>\$3,980</u>	<u>\$0</u>	<u>\$0</u>	0.0%
Total Other Prof. Services	\$100,747	\$89,377	\$90,000	\$90,000	0.0%
TOTAL PROF. SERV.	\$279,774	\$320,348	\$315,000	\$315,000	0.0%

* Not included in this category are the engineering costs associated with Major Repairs and the Capital Improvement Program projects. These costs generally range from 5 to 6% of the total project cost.

Beginning in FY 99-00, the Legislative Auditor began performing an annual audit of Commission's financial statements. This review is now being performed by an independent CPA firm. The Commission, with the recommendation of the Legislative Auditor, has budgeted \$15,000 for this activity.

Accounting Services includes preparation of the financial statements and budget documents.

The traffic engineer provides information pertaining to annual traffic studies and toll analyses which are used mainly for budget and operations planning.

Litigation and legal representation includes general legal consultation and litigation unrelated to insurance matters.

The budget for the Investment Consultant will remain constant. This fee is based upon the amount of the rehabilitation fund investments under the consultant's management.

OTHER CHARGES

Other Charges Expenditures	Actual FY 02-03	Actual FY 03-04	Approved FY 04-05	Requested FY 05-06	FY 05 to FY 06
Debt Service	\$4,590,621	\$4,763,201	\$4,720,701	\$4,741,001	0.4%
Interagency Expense					
Act 875 of 1988					
St. Charles Parish	\$50,000	\$50,000	\$50,000	\$50,000	0.0%
St. John the Baptist Parish	\$50,000	\$50,000	\$50,000	\$50,000	0.0%
Tangipahoa Parish	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	0.0%
Total Act 875	\$150,000	\$150,000	\$150,000	\$150,000	0.0%
Act 1227 of 1995					
City of New Orleans	\$50,000	\$50,000	\$50,000	\$50,000	0.0%
Jefferson Parish	\$50,000	\$50,000	\$50,000	\$50,000	0.0%
St. Tammany Parish	\$50,000	\$50,000	\$50,000	\$50,000	0.0%
Washington Parish	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	0.0%
Total Act 1227	\$200,000	\$200,000	\$200,000	\$200,000	0.0%
Huey P. Long Bridge	\$773,936	\$825,482	\$1,057,669	\$1,547,039	46.3%
Total Interagency Expense	\$5,714,557	\$5,938,683	\$6,128,370	\$6,638,040	8.3%
Transfer to State of Louisiana (excess GNOEC collections)	\$0	\$0	\$0	\$0	0.0%
TOTAL OTHER CHARGES	\$5,714,557	\$5,938,683	\$6,128,370	\$6,638,040	8.3%

Other Charges consist of Debt Service, Interagency Expense, and State Surplus. Interagency Expense includes expenditures Per Act 875 of 1988 and Act 1227 of 1995. These Acts provide, prior to the transfer of surplus funds to the State of Louisiana, funding for the policing of the Huey P. Long Bridge and for the transfer of funds to the above local agencies. The Commission last returned surplus revenues to the State of Louisiana in FY 94 in the amount of \$104,748. Act 875 of 1988 requires the Commission to use surplus funds to police the Huey P. Long Bridge.

DEBT SERVICE REQUIREMENTS

1-Nov	Series 1999A Bonds Total Debt Service	Series 2003 Bonds Principal	Series 2003 Bonds Interest	Series 2003 Bonds Total Debt Service	Combined Total Debt Service Requirements
2003	\$1,334,513	\$550,000	\$1,306,361	\$1,856,361	\$4,741,002
2004	\$1,324,763	\$1,050,000	\$2,388,439	\$3,438,439	\$4,763,201
2005	\$1,343,263	\$1,010,000	\$2,367,439	\$3,377,439	\$4,720,701
2006	\$1,333,763	\$1,060,000	\$2,347,239	\$3,407,239	\$4,741,001
2007	\$1,347,338	\$1,080,000	\$2,326,039	\$3,406,039	\$4,753,376
2008	\$1,333,150	\$1,105,000	\$2,301,739	\$3,406,739	\$4,739,889
2009	\$1,342,350	\$1,130,000	\$2,276,876	\$3,406,876	\$4,749,226
2010	\$1,347,800	\$1,160,000	\$2,244,389	\$3,404,389	\$4,752,189
2011	\$1,326,488	\$1,200,000	\$2,207,269	\$3,407,269	\$4,733,756
2012	\$1,330,300	\$1,240,000	\$2,166,769	\$3,406,769	\$4,737,069
2013	\$1,331,225	\$1,285,000	\$2,123,369	\$3,408,369	\$4,739,594
2014	\$1,329,263	\$1,330,000	\$2,076,788	\$3,406,788	\$4,736,050
2015	\$1,329,413	\$1,375,000	\$2,030,238	\$3,405,238	\$4,734,650
2016	\$1,331,413	\$1,450,000	\$1,958,050	\$3,408,050	\$4,739,463
2017	-	\$1,525,000	\$1,881,925	\$3,406,925	\$3,406,925
2018	-	\$1,605,000	\$1,801,863	\$3,406,863	\$3,406,863
2019	-	\$1,685,000	\$1,721,613	\$3,406,613	\$3,406,613
2020	-	\$1,770,000	\$1,637,363	\$3,407,363	\$3,407,363
2021	-	\$1,840,000	\$1,564,350	\$3,404,350	\$3,404,350
2022	-	\$1,920,000	\$1,486,150	\$3,406,150	\$3,406,150
2023	-	\$2,005,000	\$1,402,150	\$3,407,150	\$3,407,150
2024	-	\$2,105,000	\$1,301,900	\$3,406,900	\$3,406,900
2025	-	\$2,210,000	\$1,196,650	\$3,406,650	\$3,406,650
2026	-	\$2,320,000	\$1,086,150	\$3,406,150	\$3,406,150
2027	-	\$2,435,000	\$970,150	\$3,405,150	\$3,405,150
2028	-	\$2,560,000	\$848,400	\$3,408,400	\$3,408,400
2029	-	\$2,640,000	\$730,000	\$3,370,000	\$3,370,000
2030	-	\$2,775,000	\$598,000	\$3,373,000	\$3,373,000
2031	-	\$2,915,000	\$459,250	\$3,374,250	\$3,374,250
2032	-	\$3,060,000	\$313,500	\$3,373,500	\$3,373,500
2033	-	\$3,210,000	\$160,500	\$3,370,500	\$3,370,500
Total	\$18,685,038	\$54,605,000	\$49,280,914	\$103,885,914	\$124,121,079

HUEY P. LONG BRIDGE

Huey P. Long	Approved	Requested	FY 05
<u>Bridge</u>	<u>FY 04-05</u>	<u>FY 05-06</u>	<u>to FY 06</u>
Administrative			
Administrative Salaries	\$125,899	\$127,431	1.2%
Payroll Taxes	\$17,119	\$17,488	2.2%
Payroll Benefits	\$23,843	\$21,124	-11.4%
Materials, Supplies, Contract Work	<u>\$0</u>	<u>\$0</u>	0.0%
Total Administrative Function	\$166,861	\$166,043	-0.5%
Operations			
Police Patrol	\$423,653	\$465,816	10.0%
Dispatch	\$65,084	\$67,688	4.0%
Payroll Taxes	\$68,587	\$75,757	10.5%
Payroll Benefits	\$71,474	\$56,707	-20.7%
Materials, Supplies, and Maint.	\$60,000	\$75,000	25.0%
Telephone and Radio	\$8,500	\$18,000	111.8%
Unused Vacation and Sick Leave	\$5,500	\$5,500	
Insurance	<u>\$28,000</u>	<u>\$20,000</u>	-28.6%
Total Operations	\$730,798	\$784,468	7.3%
Maintenance			
Maintenance Personnel	\$44,205	\$46,599	5.4%
Payroll Taxes	\$6,203	\$6,617	6.7%
Payroll Benefits	<u>\$10,802</u>	<u>\$10,112</u>	-6.4%
Total Maintenance	\$61,210	\$63,328	3.5%
Capital Acquisitions	\$98,800	\$533,200	439.7%
TOTAL HUEY P. LONG BRIDGE	\$1,057,669	\$1,547,039	46.3%

Since Act 875 of 1988, the Commission has budgeted expenditures for the policing of the Huey P. Long Bridge not as a part of its operating budget but as a reduction to surplus. A percentage of the Commission's administrative, police, and maintenance salaries and benefits, equipment, and acquisitions comprise total expenditures associated with the policing function.

As stated earlier, the purchase of four variable messaging signs (\$25,000/each) and a thirty-ton wrecker at a cost of \$300,000 will result in a 46% increase in costs associated with the Huey P. Long Bridge. These expenditures are anticipated to result in improved traffic flow over this structure.

ACQUISITIONS AND MAJOR REPAIRS

Causeway Acquisitions, Major Repairs and Capital Improvement Program	Approved FY 05-06
Capital Acquisitions	
Police	\$257,100
Maintenance	\$321,300
Operations & Administration	\$59,000
Total Capital Acquisitions	\$637,400
Major Repairs	
Consulting Engineering	\$400,000
Annual AASHTO Inspection	\$200,000
Emergency and Periodic Repairs	\$250,000
Prev Maint of Mech & Elect Sys	\$50,000
System Improvement	\$200,000
Total Major Repairs	\$1,100,000
Capital Imp./Rehabilitation Program	
North Toll Plaza Access/Egress & Overlay	\$600,000
South Toll Plaza Renovations- Bldg Add.	\$2,500,000
South Toll Plaza Renovations-Roadway	\$1,500,000
North Shore Merge Lanes	\$5,000,000
North Causeway Capacity Improvements	\$2,000,000
North Approach Road Rehab-Drainage	\$2,000,000
West Approach Road Median Openings	\$200,000
West Approach Road & LA 22 Striping Mod	\$200,000
West Approach Road & LA 22 Capacity	\$500,000
Traffic Signs on the bridge	\$100,000
South Toll Plaza Rem of Diesel Fuel Cont.	\$250,000
Variable Message Sign Repairs	\$984,000
Repair of Spall Areas of Bridge Deck	\$50,000
Clean/adj bearings and level south bound br	\$1,700,000
North Channel Bascule Control Syst Rep.	\$1,000,000
Funds carried forward from Prior Year	(\$24,792,692)
Funds carried forward to Next Year	<u>\$12,580,215</u>
Total Cap. Imp./Rehabilitation Program	\$6,371,523
TOTAL ACQ, MAJ. RPRS. & CAP IMP.	\$8,108,923

Acquisitions, Major Repairs/Capital Improvement Expenditure Category

Capital Acquisitions

Capital Acquisitions totals \$637,400 in FY 05-06 and includes items such as police automobiles, maintenance vehicles, and office acquisitions. This category is budgeted at 11.2% more than the amount approved last fiscal year.

Causeway police acquisitions in FY 05-06 total \$257,100 and includes the purchase of six police vehicles and related equipment. In addition, this request includes six mobile in-car video cameras at a total expense of \$44,400 and three in-car computers costing \$30,000.

Maintenance acquisitions for FY 06 total \$321,300 and includes the purchase of a dump truck for \$70,000, one Ford F-150 truck totaling \$22,500, an F-350 truck with a utility body at a cost of \$52,500 (including overhead VMS, portable 800 radio, and associated equipment), an F-250 truck costing \$34,500 (including retrofitting cost of \$6,000), a back hoe at \$15,000, and a trencher for electrical lines at \$8,000.

Administrative acquisitions total \$28,500 and includes the purchase of one vehicle for \$23,500, and a fax machine for \$2,000.

Operations acquisitions total \$30,500 and includes the purchase of 7 cameras for viewing license plates at a cost of \$24,500 or \$3,500 per camera.

Major Repairs / Capital Improvement Program

Total expenditures anticipated on this program for FY 05-06 is \$19,684,000. Funds carried forward represent \$24.7 million in funds budgeted in prior years for FY 05-06 major repairs and capital improvement projects. In addition, the GNOEC will carry forward a total of \$12.5 million for future projects. The GNOEC is required to have all funds available prior to the start of any projects. A complete list of the GNOEC Rehabilitation Projects with a brief description of each project may be found on page 15 of this report. The above costs include design, construction, and construction management. Consulting engineering firms provide all engineering services for Major Repairs and the Rehabilitation Program. The design engineering work generally costs approximately 5-6% of the construction cost. The cost of consulting engineers employed in the management of construction contracts is approximately 5.25%-6% of the construction cost.

The budget approved by the GNOEC on December 6, 2005 includes the capital improvement projects listed below. The projects approved by the GNOEC for a typical fiscal year often are changed in the course of the year due to changing priorities and other factors which require projects be moved (either delayed or moved forward).

Project 1201C South Toll Plaza Renovations-Building Additions & Modifications (\$2,500,000) involves renovation of the existing space for the Police Department, Records Department, Maintenance, Engineering, and Human Resources and a drive-through lane to be constructed at the existing commuter sales office. The GNOEC originally budgeted \$2.85 million in FY 05 for the construction of a new administration/dispatch building and renovation of existing buildings to provide additional space for the operations of the GNOEC. However, following Hurricane Katrina, the GNOEC has decided not to construct a new administration building at this time, but will go forward with its original plan to renovate its existing buildings and space. Due to the affect that Hurricane Katrina has had on building costs in the New

Orleans area, the GNOEC cannot at this time provide the final building plans and costs for this renovation and will continue to address this issue with the existing budget.

North Toll Plaza Access and Egress & Overlay of Maintenance Building Parking Lot (\$600,000) – This project is designed to improve safety at the North Toll Plaza through the addition of an access road to Copal Street. This access road will allow traffic at the toll plaza to return to Mandeville without entering Causeway Bridge traffic. This project also includes the overlay of the parking lot of the Maintenance Building.

Variable Message Sign (VMS) Repair (\$984,000)- This project will provide emergency repairs to the VMS system. Wind from Hurricane Katrina severely damaged the VMS system that provides information to the motorists using the Causeway.

Traffic Signs on the Causeway (\$100,000)- Replacement of all traffic signs on the Causeway Bridge that were damaged or destroyed by Hurricane Katrina.

South Toll Plaza Diesel Fuel Contamination (\$250,000) – Provides for the replacement of the lock bar operators on the North Channel Bascule spans. Additional work includes balancing the spans and repair of the broken girder welds.

Repair of Spall Areas of Bridge Deck (\$50,000) – Includes repairs to areas of the bridge deck that have suffered fire damage and other areas where there is lightening damage of impact chips and spalls.

North Channel Bascule Control System Replacement (\$1,000,000) – Replacement of the North Channel Bascule computer control system. Replacement parts for the current system are no longer being manufactured and existing stock will soon be depleted.

North Shore Merge Lanes (\$5,000,000) – Includes the widening of the southbound bridge at the North Toll Plaza to provide a longer merge lane between the four-lane toll plaza and the two-lane bridge. The project will also repair hurricane damage, install retaining walls, resurface the approach roadway and improve roadway lighting between the toll plaza and the bridge.

North Causeway Capacity Improvements- Monroe Street to Brookside Drive (\$2,000,000) – Will increase the capacity of the North Approach Road at Florida Street. The shoulder will be restriped to provide an additional lane between Monroe Street and Brookside Drive.

North Approach Road Rehabilitation- Drainage Part B, Brookside Modifications, LA 22 U-turn & Third Lane (\$2,000,000) – In addition to rehabilitation of the pavement on the North Approach Road, this project includes modifications to the Brookside Drive intersection, installation of an additional lane from Florida Street to LA 22, installation of a U-turn at LA 22, and drainage improvements to the corridor. This is approximately 50% of the total cost of this project. The remaining funding will be requested in FY 07 to complete this project.

West Approach Road Median Openings (\$200,000) - Provides for the installation of additional median openings on the West Causeway Approach Road. These openings will improve access and reduce the potential for accidents.

West Approach Road & LA 22 Interim Striping Modifications (\$200,000) – Provides for increased capacity of the West Causeway Approach/LA 22 intersection by re-striping the shoulder into an additional lane.

West Approach Road & LA 22 Capacity Modifications (\$500,000) – Will increase capacity of the West Causeway Approach/LA 22 intersection.

Clean and Adjust Bearings and Level Southbound Bridge (\$1,700,000) – Includes cleaning and adjusting bearings on the southbound bridge and shimming as required to level the riding surface.

Finally, in the approved GNOEC budget request, the Commission intends to carry forward \$12.5 million in order to fund future projects on the major repair and improvements program. The GNOEC anticipates directing these funds to projects scheduled to begin in 2007. These projects include the following: Replacement of Collision Avoidance Radar System – Phase II, Platforms to provide for the construction of platforms located adjacent to the Causeway. The radar system will be relocated to the platforms to improve performance. Monroe Street Overpass Lighting Replacement will provide for the replacement of the street lighting in the vicinity of the Monroe Street Overpass on the North Shore Approach Road system, which will reduce the potential for accidents and reduce operating costs. North Approach Road Rehabilitation – Drainage Part B, Brookside Modifications, LA 22 U-turn and Third Lane includes rehabilitation to the pavement on the North Approach Road, modifications to the Brookside Drive intersection, installation of an additional lane from Florida Street to LA 22, installation of a U-turn at LA 22, and drainage improvements to the corridor. Funds are often carried forward to future fiscal years as the GNOEC is required by its bond indenture to have all construction funds available before a project can be initiated.